

SENATE BILL No. 16

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-2-3-16.5; IC 7.1-3; IC 7.1-4; IC 7.1-5.

Synopsis: Alcoholic beverages. Creates a supplemental dealer's permit. Provides that a supplemental dealer's permit may be issued only to a holder of a beer, wine, or liquor dealer's permit. Allows the holder of a supplemental dealer's permit to sell alcoholic beverages for carryout on Sunday. Establishes fees for a supplemental dealer's permit. Requires the fees to be deposited in the enforcement and administration fund of the alcohol and tobacco commission. Allows the holder of a package liquor store permit, farm winery permit, or microbrewery permit to sell carryout alcoholic beverages on Sunday without a supplemental dealer's permit. Allows a minor to be on the licensed premises of a package liquor store if the minor is employed by the store or accompanied by the minor's parent or guardian who is at least 21 years of age. Eliminates residency requirements for alcoholic beverage dealers. Repeals a provision that limits the commodities that a package liquor store may sell.

Effective: July 1, 2016.

Boots

January 5, 2016, read first time and referred to Committee on Public Policy.



Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 16

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-2-3-16.5, AS AMENDED BY P.L.109-2013,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 16.5. (a) As used in this section, "facility"
4 includes the following:

- 5 (1) A facility to which IC 7.1-3-1-25(a) applies.
6 (2) A tract that contains a premises that is described in
7 ~~IC 7.1-3-1-14(c)(2)~~; **IC 7.1-3-1-14(d)(2)**.
8 (3) A horse track or satellite facility to which IC 7.1-3-17.7
9 applies.
10 (4) A riverboat or racetrack to which IC 7.1-3-17.5 applies.
11 (5) A tract that contains an entertainment complex.

12 (b) As used in this section, "tract" has the meaning set forth in
13 IC 6-1.1-1-22.5.

- 14 (c) A facility may advertise alcoholic beverages:
15 (1) in the facility's interior; or
16 (2) on the facility's exterior.
17 (d) The commission may not exercise the prohibition power



1 contained in section 16(a) of this chapter on advertising by a brewer,
2 distiller, rectifier, or vintner in or on a facility.

3 (e) Notwithstanding IC 7.1-5-5-10 and IC 7.1-5-5-11, a facility may
4 provide advertising to a permittee that is a brewer, an artisan distiller,
5 a distiller, a rectifier, or a vintner in exchange for compensation from
6 that permittee.

7 SECTION 2. IC 7.1-3-1-14, AS AMENDED BY P.L.10-2010,
8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2016]: Sec. 14. (a) It is lawful for an appropriate permittee,
10 unless otherwise specifically provided in this title, to sell alcoholic
11 beverages each day Monday through Saturday from 7 a.m., prevailing
12 local time, until 3 a.m., prevailing local time, the following day. Sales
13 shall cease wholly on Sunday at 3 a.m., prevailing local time, and not
14 be resumed until the following Monday at 7 a.m., prevailing local time.

15 (b) It is lawful for the holder of a retailer's permit to sell the
16 appropriate alcoholic beverages for consumption on the licensed
17 premises only on Sunday from 7 a.m., prevailing local time, until 3
18 a.m., prevailing local time, the following day.

19 **(c) It is lawful for the holder of a:**

20 **(1) supplemental dealer's permit;**

21 **(2) liquor dealer's permit for a package liquor store;**

22 **(3) farm winery permit; or**

23 **(4) brewer's permit under IC 7.1-3-2-7(5);**

24 **to sell on Sunday from 7 a.m., prevailing local time, until 3 a.m.,**
25 **prevailing local time, the following day, the appropriate alcoholic**
26 **beverages for consumption only off the licensed premises.**

27 ~~(c)~~ **(d)** It is lawful for the holder of a permit under this article to sell
28 alcoholic beverages at athletic or sports events held on Sunday upon
29 premises that:

30 **(1) are described in section 25(a) of this chapter;**

31 **(2) are a facility used in connection with the operation of a paved**
32 **track more than two (2) miles in length that is used primarily in**
33 **the sport of auto racing; or**

34 **(3) are being used for a professional or an amateur tournament;**
35 **beginning one (1) hour before the scheduled starting time of the event**
36 **or, if the scheduled starting time of the event is 1 p.m. or later,**
37 **beginning at noon.**

38 ~~(d)~~ **(e)** It is lawful for the holder of a valid beer, wine, or liquor
39 wholesaler's permit to sell to the holder of a valid retailer's or dealer's
40 permit at any time.

41 SECTION 3. IC 7.1-3-2-7, AS AMENDED BY P.L.144-2015,
42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2016]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.
 - (B) Be the proprietor of a restaurant.
 - (C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).
 - (D) Transfer beer directly from the brewery to the restaurant by means of:
 - (i) bulk containers; or
 - (ii) a continuous flow system.
 - (E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.
 - (F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.
 - (G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:
 - (i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.
 - (ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.



- 1 (iii) Providing food prepared at the brewery.
 2 (H) Sell and deliver beer to a consumer at the permit premises
 3 of the brewer or at the residence of the consumer. The delivery
 4 to a consumer may be made only in a quantity at any one (1)
 5 time of not more than one-half (1/2) barrel, but the beer may
 6 be contained in bottles or other permissible containers.
 7 (I) Sell the brewery's beer as authorized by this section **and as**
 8 **provided in IC 7.1-3-1-14** for carryout on Sunday in a
 9 quantity at any one (1) time of not more than five hundred
 10 seventy-six (576) ounces. A brewer's beer may be sold under
 11 this clause at any address for which the brewer holds a
 12 brewer's permit issued under this chapter if the address is
 13 located within the same city boundaries in which the beer was
 14 manufactured.
 15 (J) With the approval of the commission, participate:
 16 (i) individually; or
 17 (ii) with other permit holders under this chapter;
 18 in a trade show or an exposition at which products of each
 19 permit holder participant are displayed, promoted, and sold.
 20 The commission may not grant to a holder of a permit under
 21 this chapter approval under this clause to participate in a trade
 22 show or exposition for more than forty-five (45) days in a
 23 calendar year.
 24 (K) Store or condition beer in a secure building that is:
 25 (i) separate from the brewery; and
 26 (ii) owned or leased by the permit holder.
 27 A brewer may not sell or transfer beer directly to a permittee
 28 or consumer from a building described in this clause.
 29 (6) If the brewer's brewery manufactures more than ninety
 30 thousand (90,000) barrels of beer in a calendar year for sale or
 31 distribution within Indiana, the permit holder may own a portion
 32 of the corporate stock of another brewery that:
 33 (A) is located in the same county as the brewer's brewery;
 34 (B) manufactures less than ninety thousand (90,000) barrels of
 35 beer in a calendar year; and
 36 (C) is the proprietor of a restaurant that operates under
 37 subdivision (5).
 38 (7) Provide complimentary samples of beer that are:
 39 (A) produced by the brewer; and
 40 (B) offered to consumers for consumption on the brewer's
 41 premises.
 42 (8) Own a portion of the corporate stock of a sports corporation



that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

(9) For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 4. IC 7.1-3-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. An out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may:

(1) appoint a beer wholesaler to perform the services described in ~~IC 7.1-3-3-5(f)(1)~~ **IC 7.1-3-3-5(g)(1)** through ~~IC 7.1-3-3-5(f)(2)~~; **IC 7.1-3-3-5(g)(2)**; and

(2) provide a fee to a beer wholesaler who performs the services described in ~~IC 7.1-3-3-5(f)(1)~~ **IC 7.1-3-3-5(g)(1)** through ~~IC 7.1-3-3-5(f)(2)~~; **IC 7.1-3-3-5(g)(2)**.

SECTION 5. IC 7.1-3-3-5, AS AMENDED BY P.L.153-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The holder of a beer wholesaler's permit may purchase and import from the primary source of supply, possess, and sell at wholesale, beer and flavored malt beverages manufactured within or without this state.

(b) A beer wholesaler permittee may possess, transport, sell, and deliver beer to:

(1) another beer wholesaler authorized by the brewer to sell the brand purchased;

(2) an employee;

(3) a holder of a beer retailer's permit, beer dealer's permit, temporary beer permit, dining car permit, boat permit, airplane permit, ~~or~~ supplemental caterer's permit, **or supplemental dealer's permit**; and

(4) a qualified organization for:

(A) an allowable event to which IC 7.1-3-6.1 applies; or

(B) a charity auction to which IC 7.1-3-6.2 applies;

located within this state. The sale, donation to a qualified organization, transportation, and delivery of beer shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery.



(c) The beer wholesaler's bona fide regular employees may purchase beer from the wholesaler in:

(1) bottles, cans, or any other type of permissible containers in an amount not to exceed forty-eight (48) pints; or

(2) one (1) keg;
at any one (1) time.

(d) The importation, transportation, possession, sale, and delivery of beer shall be subject to the rules of the commission and subject to the same restrictions provided in this title for a person holding a brewer's permit.

(e) **Except as provided in subsection (f), the holder of a beer wholesaler's permit may purchase, import, possess, transport, sell, and deliver any commodity listed in IC 7.1-3-10-5, of the following commodities unless prohibited by this title: However;**

(1) Beer in permissible containers, if the permittee has the proper permit.

(2) Bar supplies used in the preparation for consumption of alcoholic beverages and in their consumption.

(3) Tobacco products.

(4) Uncooled and uniced charged water, carbonated soda, ginger ale, mineral water, grenadine, and flavoring extracts.

(5) Printed materials.

(6) Lottery tickets as provided in IC 4-30-9.

(7) Cooled or uncooled nonalcoholic malt beverages.

(8) Flavored malt beverage in its original package.

(f) A beer wholesaler may deliver flavored malt beverages only to the holder of one (1) of the following permits:

(1) A beer wholesaler or wine wholesaler permit, if the wholesaler is authorized by the primary source of supply to sell the brand of flavored malt beverage purchased.

(2) A wine retailer's permit, wine dealer's permit, temporary wine permit, dining car wine permit, boat permit, airplane permit, or supplemental caterer's permit, **or supplemental dealer's permit.**

~~(f)~~ (g) A beer wholesaler may:

(1) store beer for an out-of-state brewer described in IC 7.1-3-2-9 and deliver the stored beer to another beer wholesaler that the out-of-state brewer authorizes to sell the beer;

(2) perform all necessary accounting and auditing functions associated with the services described in subdivision (1); and

(3) receive a fee from an out-of-state brewer for the services described in subdivisions (1) through (2).

SECTION 6. IC 7.1-3-8-3, AS AMENDED BY P.L.153-2015,



SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The holder of a liquor wholesaler's permit shall be entitled to sell liquor at wholesale.

(b) A liquor wholesaler shall be entitled to purchase liquor within this state from a person who holds an artisan distiller's permit, a distiller's permit, a rectifier's permit, or a liquor wholesaler's permit. A liquor wholesaler also may purchase liquor outside this state from the primary source of supply and, from that source, may transport and import liquor into this state.

(c) A liquor wholesaler may sell, transport, and deliver liquor only to a person who, under this title, holds a:

- (1) liquor retailer's permit;
- (2) supplemental caterer's permit;
- (3) liquor dealer's permit; ~~or~~
- (4) liquor wholesaler's permit; **or**
- (5) supplemental dealer's permit.**

A liquor wholesaler may sell, donate, transport, and deliver liquor to a qualified organization for an allowable event to which IC 7.1-3-6.1 applies or charity auction to which IC 7.1-3-6.2 applies. The sale, transportation, donation to a qualified organization, and delivery of liquor shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery, and only in permissible containers and is subject to the rules of the commission fixing the quantity which may be sold or delivered at any one (1) time.

(d) A liquor wholesaler's bona fide regular employees may purchase liquor from the wholesaler in an amount not to exceed eighteen (18) liters.

SECTION 7. IC 7.1-3-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) This section applies to:

- (1) the holder of a three-way permit that is issued to a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a premises that is described in ~~IC 7.1-3-1-14(e)(2)~~, **IC 7.1-3-1-14(d)(2)**, or a convention center; or
- (2) the holder of a catering permit while catering alcoholic beverages at a civic center, a sports arena, a stadium, an exhibition hall, an auditorium, a theater, a tract that contains a premises that is described in ~~IC 7.1-3-1-14(e)(2)~~, **IC 7.1-3-1-14(d)(2)**, or a convention center.

(b) As used in this section, "suite" means an area in a building or



1 facility referred to in subsection (a) that:

- 2 (1) is not accessible to the general public;
- 3 (2) has accommodations for not more than seventy-five (75)
- 4 persons per suite; and
- 5 (3) is accessible only to persons who possess a ticket:
- 6 (A) to an event in a building or facility referred to in
- 7 subsection (a); and
- 8 (B) that entitles the person to occupy the area while viewing
- 9 the event described in clause (A).

10 The term does not include a restaurant, lounge, or concession area,
11 even if access to the restaurant, lounge, or concession area is limited to
12 certain ticket holders.

13 (c) A permittee may allow the self-service of individual servings of
14 alcoholic beverages in a suite.

15 (d) A person who:

- 16 (1) possesses a ticket described in subsection (b)(3); and
- 17 (2) is at least twenty-one (21) years of age;

18 may obtain an alcoholic beverage in a suite by self-service.

19 (e) A permittee may do any of the following:

- 20 (1) Demand that a person occupying a suite provide:
- 21 (A) a written statement under IC 7.1-5-7-4; and
- 22 (B) identification indicating that the person is at least
- 23 twenty-one (21) years of age.
- 24 (2) Supervise the self-service of alcoholic beverages.
- 25 (3) Have an employee in the suite who holds an employee permit
- 26 under IC 7.1-3-18-9 to serve some or all of the alcoholic
- 27 beverages.

28 SECTION 8. IC 7.1-3-10-5 IS REPEALED [EFFECTIVE JULY 1,
29 2016]. ~~Sec. 5: A package liquor store's exclusive business shall be the~~
30 ~~selling of the following commodities only:~~

- 31 ~~(1) Liquor in its original package:~~
- 32 ~~(2) Beer in permissible containers, if the permittee has the proper~~
- 33 ~~permit:~~
- 34 ~~(3) Wine in its original package:~~
- 35 ~~(4) Bar supplies used in the preparation for consumption of~~
- 36 ~~alcoholic beverages and in their consumption:~~
- 37 ~~(5) Tobacco products:~~
- 38 ~~(6) Uncooled and uniced charged water, carbonated soda, ginger~~
- 39 ~~ale, mineral water, grenadine, and flavoring extracts:~~
- 40 ~~(7) Printed materials:~~
- 41 ~~(8) Lottery tickets as provided in IC 4-30-9:~~
- 42 ~~(9) Cooled or uncooled nonalcoholic malt beverages:~~



(10) ~~Flavored malt beverage in its original package.~~

SECTION 9. IC 7.1-3-10-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 14. The holder of a liquor dealer's permit for a package liquor store may sell on Sunday, as provided in IC 7.1-3-1-14, alcoholic beverages for consumption only off the licensed premises.**

SECTION 10. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

(7) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

(8) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

(9) is entitled to purchase and sell bulk wine as set forth in this chapter;

(10) is entitled to sell wine as authorized by this section **and as provided in IC 7.1-3-1-14** for carryout on Sunday; and

(11) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under



1 this chapter may conduct business at not more than three (3) additional
 2 locations that are separate from the winery. At the additional locations,
 3 the holder of a permit may conduct any business that is authorized at
 4 the first location, except for the manufacturing or bottling of wine.

5 (c) With the approval of the commission, a holder of a permit under
 6 this chapter may, individually or with other permit holders under this
 7 chapter, participate in a trade show or an exposition at which products
 8 of each permit holder participant are displayed, promoted, and sold.
 9 The commission may not grant approval under this subsection to a
 10 holder of a permit under this chapter for more than forty-five (45) days
 11 in a calendar year.

12 SECTION 11. IC 7.1-3-13-3, AS AMENDED BY P.L.153-2015,
 13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2016]: Sec. 3. (a) The holder of a wine wholesaler's permit
 15 may purchase, import, and transport wine, brandy, or flavored malt
 16 beverage from the primary source of supply. A wine wholesaler may
 17 export and transport wine, brandy, or flavored malt beverage by the
 18 bottle, barrel, cask, or other container, to points outside Indiana. A
 19 wine wholesaler is entitled to sell, furnish, and deliver wine or flavored
 20 malt beverage from inventory that has been located on the wholesaler's
 21 premises before the time of invoicing and delivery to a wine
 22 wholesaler, a wine retailer, a supplemental caterer, a temporary wine
 23 permittee, ~~and~~ a wine dealer, **and a supplemental dealer**, but not at
 24 retail. A wine wholesaler may sell, furnish, and deliver brandy from
 25 inventory that has been located on the wholesaler's premises before the
 26 time of invoicing and delivery, but not at retail, only to a person who
 27 holds a liquor retailer's permit, a supplemental caterer's permit, ~~or~~ a
 28 liquor dealer's permit, **or a supplemental dealer's permit**. A holder of
 29 a wine wholesaler's permit may sell wine to the wine wholesaler's bona
 30 fide regular employees. A wine wholesaler may sell, donate, and
 31 deliver wine or flavored malt beverage from inventory that has been
 32 located on the wholesaler's premises before the time of invoicing and
 33 delivery to a qualified organization that is conducting an allowable
 34 event to which IC 7.1-3-6.1 applies or a charity auction to which
 35 IC 7.1-3-6.2 applies.

36 (b) As used in this section, "brandy" means:

- 37 (1) any alcoholic distillate described in 27 CFR 5.22(d) as in
- 38 effect on January 1, 1983; or
- 39 (2) a beverage product that:
 - 40 (A) is prepared from a liquid described in subdivision (1);
 - 41 (B) is classified as a cordial or liqueur as defined in 27 CFR
 - 42 5.22(h) as in effect on January 1, 1997; and



(C) meets the following requirements:

- (i) At least sixty-six and two-thirds percent (66 2/3%) of the product's alcohol content is composed of a substance described in subdivision (1).
- (ii) The product's label makes no reference to any distilled spirit other than brandy.
- (iii) The product's alcohol content is not less than sixteen percent (16%) by volume or thirty-two (32) degrees proof.
- (iv) The product contains dairy cream.
- (v) The product's sugar, dextrose, or levulose content is at least twenty percent (20%) of the product's weight.
- (vi) The product contains caramel coloring.

(c) Nothing in this section allows a wine wholesaler to sell, give, purchase, transport, or export beer (as defined in IC 7.1-1-3-6) unless the wine wholesaler also holds a beer wholesaler's permit under IC 7.1-3-3-1.

(d) A wine wholesaler that also holds a liquor wholesaler's permit under IC 7.1-3-8 may not:

- (1) hold a beer wholesaler's permit under IC 7.1-3-3;
- (2) possess, sell, or transport beer; or
- (3) sell more than one million (1,000,000) gallons of flavored malt beverage during a calendar year.

SECTION 12. IC 7.1-3-21-3, AS AMENDED BY P.L.107-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a person who has not been a continuous and bona fide resident of Indiana for five (5) years immediately preceding the date of the application for a permit.

SECTION 13. IC 7.1-3-21-4, AS AMENDED BY P.L.107-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a partnership unless each member of the partnership possesses the same qualifications as those required of an individual applicant for that particular type of permit.

SECTION 14. IC 7.1-3-21-5, AS AMENDED BY P.L.107-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.



(b) Each officer and stockholder of a corporation shall possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 15. IC 7.1-3-21-5.2, AS AMENDED BY P.L.107-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.2. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 16. IC 7.1-3-21-5.4, AS AMENDED BY P.L.107-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.4. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 17. IC 7.1-3-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 28. Supplemental Dealer's Permit

Sec. 1. This chapter does not apply to a holder of a liquor dealer's permit for a package liquor store.

Sec. 2. The commission may issue a supplemental dealer's permit only to a holder of a beer, wine, or liquor dealer's permit. The holder of a beer, wine, or liquor dealer's permit may sell alcoholic beverages as follows:

(1) A holder of a beer, wine, or liquor dealer's permit may sell alcoholic beverages Monday through Saturday under IC 7.1-3-1-14.

(2) A holder of a beer, wine, or liquor dealer's permit that also holds a supplemental dealer's permit under this chapter may also sell alcoholic beverages on Sunday to customers for consumption only off the licensed premises under IC 7.1-3-1-14.

Sec. 3. The holder of a supplemental dealer's permit is entitled



1 to:

- 2 (1) purchase alcoholic beverages only from a permittee
 3 entitled to sell to the holder of the supplemental dealer's
 4 permit under this title;
 5 (2) possess and sell only those types of alcoholic beverages
 6 that the dealer may lawfully possess and sell under the permit
 7 held by the dealer that qualifies the dealer to also hold a
 8 supplemental dealer's permit; and
 9 (3) sell the appropriate alcoholic beverages for consumption
 10 off the licensed premises on Sunday, as provided in
 11 IC 7.1-3-1-14.

12 **Sec. 4.** A supplemental dealer's permit, for purposes of this title,
 13 is considered a separate and distinct type of dealer's permit. It does
 14 not affect the rights, privileges, and restrictions applicable to any
 15 other type of dealer's permit. The rights, privileges, and
 16 restrictions provided in this title for a supplemental dealer's permit
 17 apply only on Sundays.

18 SECTION 18. IC 7.1-4-4.1-12.5 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2016]: **Sec. 12.5.** The following annual permit
 21 fee is imposed for a supplemental dealer's permit issued under
 22 IC 7.1-3-28:

- 23 (1) Five hundred dollars (\$500), if the dealer sells only beer,
 24 only liquor, or only wine.
 25 (2) Seven hundred fifty dollars (\$750), if the dealer sells:
 26 (A) both beer and wine but no liquor;
 27 (B) both wine and liquor but no beer; or
 28 (C) both beer and liquor but no wine.
 29 (3) One thousand dollars (\$1,000), if the dealer sells beer,
 30 wine, and liquor.

31 SECTION 19. IC 7.1-4-10-1.5 IS ADDED TO THE INDIANA
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2016]: **Sec. 1.5.** Not later than the fifth day
 34 of each month, the treasurer of state shall transfer the
 35 supplemental dealer's permit fee proceeds deposited with the
 36 treasurer of state under IC 7.1-4-11-2.6 into the enforcement and
 37 administration fund established under this chapter.

38 SECTION 20. IC 7.1-4-11-2.6 IS ADDED TO THE INDIANA
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2016]: **Sec. 2.6.** The chairman shall collect
 41 the required permit fee paid for a supplemental dealer's permit
 42 under IC 7.1-4-4.1-12.5 and deposit the proceeds of the fee daily



1 **with the treasurer of state. The treasurer of state shall transfer the**
 2 **supplemental dealer's permit fee proceeds into the enforcement**
 3 **and administration fund under IC 7.1-4-10-1.5.**

4 SECTION 21. IC 7.1-5-5-11, AS AMENDED BY P.L.159-2014,
 5 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2016]: Sec. 11. (a) Except as provided in subsections (c) and
 7 (d), it is unlawful for a manufacturer of alcoholic beverages or a
 8 permittee authorized to sell and deliver alcoholic beverages to:

9 (1) give, supply, furnish, or grant to another permittee who
 10 purchases alcoholic beverages from the manufacturer or permittee
 11 a rebate, sum of money, accessory, furniture, fixture, loan of
 12 money, concession, privilege, use, title, interest, lease, or rental
 13 of premises; or

14 (2) except as provided in IC 7.1-3-2-9 and ~~IC 7.1-3-3-5(f);~~
 15 **IC 7.1-3-3-5(g)**, have a business dealing with the other permittee.

16 (b) This section shall not apply to the sale and delivery and
 17 collection of the sale price of an alcoholic beverage in the ordinary
 18 course of business.

19 (c) If the promotional program is approved under the rules adopted
 20 by the commission and is conducted in all wholesaler establishments
 21 through which the manufacturer distributes alcoholic beverages in
 22 Indiana, a manufacturer of alcoholic beverages may award bona fide
 23 promotional prizes and awards to any of the following:

24 (1) A person with a wholesaler's permit issued under IC 7.1-3.

25 (2) An employee of a person with a wholesaler's permit issued
 26 under IC 7.1-3.

27 (d) A manufacturer may offer on a nondiscriminatory basis bona
 28 fide incentives to wholesalers when the incentives are determined
 29 based on sales to retailers or dealers occurring during specified times
 30 for specified products. The incentive may be conditioned on the
 31 wholesaler selling a:

32 (1) specified product at a specified price or less than a specified
 33 price; or

34 (2) minimum quantity of a specified product to a single customer
 35 in a single transaction.

36 The incentive may not be conditioned on a wholesaler having total
 37 sales of a minimum quantity of a specified product during the
 38 applicable period.

39 (e) A person who knowingly or intentionally violates this section
 40 commits a Class A misdemeanor.

41 SECTION 22. IC 7.1-5-7-11, AS AMENDED BY P.L.196-2015,
 42 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2016]: Sec. 11. (a) The provisions of sections 9 and 10 of this chapter shall not apply if the public place involved is one (1) of the following:

- (1) Civic center.
- (2) Convention center.
- (3) Sports arena.
- (4) Bowling center.
- (5) Bona fide club.
- (6) Drug store.
- (7) Grocery store.
- (8) Boat.
- (9) Dining car.
- (10) Pullman car.
- (11) Club car.
- (12) Passenger airplane.
- (13) Horse racetrack facility holding a recognized meeting permit under IC 4-31-5.
- (14) Satellite facility (as defined in IC 4-31-2-20.5).
- (15) Catering hall under IC 7.1-3-20-24 that is not open to the public.
- (16) That part of a restaurant which is separate from a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.
- (17) Entertainment complex
- (18) Indoor golf facility.
- (19) A recreational facility such as a golf course, bowling center, or similar facility that has the recreational activity and not the sale of food and beverages as the principal purpose or function of the person's business.
- (20) A licensed premises owned or operated by a postsecondary educational institution described in IC 21-17-6-1.
- (21) An automobile racetrack.
- (22) An indoor theater under IC 7.1-3-20-26.
- (23) A senior residence facility campus (as defined in IC 7.1-3-1-29(c)) at which alcoholic beverages are given or furnished as provided under IC 7.1-3-1-29.
- (24) A hotel other than a part of a hotel that is a room in a restaurant in which a bar is located over which alcoholic beverages are sold or dispensed by the drink.
- (25) The location of an allowable event to which IC 7.1-3-6.1 applies.
- (26) The location of a charity auction to which IC 7.1-3-6.2



1 applies.

2 **(27) A package liquor store, if the requirements of subsection**
3 **(c) are met.**

4 (b) For the purpose of this subsection, "food" means meals prepared
5 on the licensed premises. It is lawful for a minor to be on licensed
6 premises in a room in which is located a bar over which alcoholic
7 beverages are sold or dispensed by the drink if all the following
8 conditions are met:

9 (1) The minor is eighteen (18) years of age or older.

10 (2) The minor is in the company of a parent, guardian, or family
11 member who is twenty-one (21) years of age or older.

12 (3) The purpose for being on the licensed premises is the
13 consumption of food and not the consumption of alcoholic
14 beverages.

15 **(c) It is lawful for a minor to be on the licensed premises of a**
16 **package liquor store if the minor is:**

17 **(1) employed under section 13(1) of this chapter; or**

18 **(2) in the company of the minor's parent or guardian who is**
19 **at least twenty-one (21) years of age.**

